experience commensurate gains in service levels by providing on-line access to inventory information and ordering routines from all locations in the network.

With advances in telecommunications and computing have come opportunities for extending the effective geographic operating radius of merchants without increasing the need for new facilities. Paper distributors who market over wide geographic areas or through a network of semi-autonomous branches, each stocking merchandise to accommodate local markets, are realizing that they must reconsider their marketing and physical distribution strategies.

For some, it may be possible to reduce the investment in field inventories or even the number of facilities at the same time as service levels are increased. The technology to do this is already in place. But the main impediment to this happening may be the reluctance of customers to accept such innovative approaches. Overcoming this will require considerable educational efforts of customers and company personnel.

The hub and spoke design is being adopted by leading merchants in an attempt to rationalize the complexities associated with managing multi-location operations. Much like the designs used by major airlines, the hub is the center of financial management, asset control and strategy development. The spokes can be thought of as information channels and finely tuned physical distribution routes to field locations. At the end of the spokes are the field locations which have local marketing autonomy but whose financial performance is measured carefully and frequently from the hub.

Using the wheel analogy, the rim of the wheel consists of the information links and interbranch distribution paths for movement of product from field locations holding stocks of particular items to those locations with limited needs. In large merchant organizations, several hub and spoke designs may evolve to provide effective spans of control and in recognition of regional market differences.

Productivity Improvement—A Continuing Challenge: The experiences of the 1970's awakened merchants and mills to the importance of productivity and several important lessons were learned. These lessons should be remembered in the quest for further improvement.

First, productivity improvement is not merely a campaign theme or short-lived slogan. Rather, it is a process that requires constant attention and management support. Second, productivity improvement opportunities exist in every area of a paper merchant's operation as well as in its working relationships with mills, converters and customers. Often the least visible or most difficult to control areas, such as field sales, warehouse and delivery operations present the greatest opportunities.

Third, those who participate in identifying ways to increase productivity are likely to become productivity advocates, particularly if they are rewarded for their contributions. Fourth, the greatest improvements are made when motivated personnel are provided with adequate tools and a work environment that encourages them to do the job.

Productivity improvement is no longer an "optional extra" for the paper merchant. Productivity standards and practical methods for tracking and controlling productivity throughout a merchant's organization are needed. Some prime areas requiring management attention follow.

- **The Sales Force**

As mentioned below, there is a need to redefine the role and capabilities of its function. New selling approaches, personnel training, performance evaluation methods and compensation programs are required.

- **Physical Handling of Product**

The shipping, receiving and warehousing functions are labor intensive areas and therefore particularly prone to errors and uneven performance. Studies of personnel turnover, materials flow patterns and materials handling methods often result in substantial reductions in costs, error rates, personnel turnover and dramatic increases in delivery reliability and customer satisfaction levels.

A particularly difficult area requiring attention by both operations and marketing personnel concerns the treatment of broken carton quantities and small orders. Here the handling costs can frequently exceed the gross margin on such orders. Innovative methods must be found for dealing with these situations both in the warehouse, the delivery

system and particularly in marketing policies and approaches.

- **Systems and Procedures:**

As merchants expand and mature, they often become more bureaucratic. Procedures and systems tend to sprout like weeds as managers in various departments strive to fine tune and strengthen their parts of the organization. At some point such structuring works to the detriment of the company. Flexibility is forfeited for formality and individual initiative is traded for control.

Although many benefits can accrue from systems and procedures, merchants must be wary of "overkill" in these areas. As a result, periodic reviews should be made of the systems and procedures with particular attention given to redundant and non-essential items and areas of conflict. The reduction of paper work (even in an industry dependent on paper use) and the elimination of excessive controls and constraints are essential steps in the right direction.

Redefinition of the Role of Sales Personnel: As telemarketing programs and computer-to-computer communications systems become accepted, many of the more routine functions performed by field sales personnel can be handled efficiently without direct personal contact. Clearly, the need remains for field sales coverage but responsibilities of these individuals must be redefined. Rather than spending a large portion of his/her time on account maintenance and expediting tasks, the field sales person of the 1980s must assume a more proactive position in developing new business, educating customer personnel about new products and methods and in managing key accounts. This will require more than a mere restatement of what is expected.

A new type of sales specialist is called for. This will require training new personnel who have the willingness to adapt and in many cases a redesign of the entire sales function is necessary. Finally, compensation programs may have to be revised or developed that give the proper incentives for the account management and business development responsibilities yet provide management with greater control over the direction of the sales organization.

Qualified Personnel—More Important than Ever: The increasing use of technology to reduce/eliminate routine manual tasks, however, cannot be viewed as an attempt to depersonalize business relationships. In spite of the trends wholesale distribution is likely to remain a labor intensive business for some time. As direct order entry, automation and telemarketing become more prevalent, the need for a new cadre of skilled technical sales, marketing, system, and management personnel becomes evident. Clearly, the development and supervision of people will be needed even more than today. The task, however, will be of a different nature than in the past.

Rationalization of Customer and Vendor Service Levels: The principal factors which differentiate one merchant from others in the marketplace are the type of quality of services offered and personnel employed. The expectations of customers and mills for merchant services continue to rise as do the costs of providing them. In addition, as merchants segment their markets and specialize their marketing approaches further, the need to tailor-make different service offerings to meet specific segment requirements is likely to increase. Merchants must address several important questions in rationalizing their approach to services, as follows:

- What should our service offering include?
- Do different segments expect different services and which service levels are expected?
- Is it possible to charge for services or to market the service offering more effectively?
- Are there services which can be eliminated or revised to be more cost effective?
- How are our current service capabilities rated in comparison to market requirements and competitive offerings?

Through the use of such tools as "The Marketing Productivity Audit" and "The Magnifying Glass Technique"* merchants can systematically evaluate their service levels and develop responses to these questions. As these analytical methods yield information about company operations and marketing effectiveness, distribution executives are bound to view their companies as marketing services providers rather than simply as sales and physical distribution organizations.

Moving into the Future

Sustaining profitable growth is a particularly vexing and elusive target. This is particularly true in an era of market turbulence and business revolution. There are so many forces coming from so many different directions that the selection of a sound business strategy and marketing approach is a real challenge. Those who are able to rally are those who have been able to distinguish between market mirages and real opportunities. They have examined their market positions and those of their competitors carefully. And they have taken some bold and innovative steps to position their companies as leaders in target market segments. In addition, they have uncovered ways to streamline their organizations and to motivate their personnel to strive for productivity in all areas of the organization.

The truly outstanding paper merchant executives have learned from the past while daring to break with tradition. They are willing to take calculated risks and to make the innovative and often costly changes in their organizations and practices that will allow them to capitalize on the future.

The strength of every paper distribution organization lies in the abilities and dedication of its people to strike a profitable balance between the market realities facing them and the resources, values and strengths they represent. Capitalizing on these strengths and taking full advantage of new technologies will catapult the paper distribution industry to a new day.

*Denis F. Healy, *Increasing Profits Through Better Marketing*, 1982 L. Grottke & James W. Norris, *Improving Productivity and Profits in Wholesale Distribution*, 1981. Distribution Research and Education Foundation, 1725 K St. NW., Washington, DC 20006.

CHAIRMAN'S CORNER

STRIVING FOR EXCELLENCE

The 1984 NPTA Convention theme means more to me than just a catchy phrase or an ideal that is unreachable. It is something we can use on a day-to-day basis.

Here's an example from a company memo I sent out 25 years ago. Times really don't change. . .even needs don't change very much, but people *do* change. And in some cases they *have to* change:

An open letter to the sales staff

What's the "difference" between YOU and the most successful salesperson in your community? You both have eyes, ears, hands and feet, and the same number of hours in the day.

Why is it that one salesperson may steadily and persistently climb the ladder of selling to new heights, while others having similar characteristics, get bogged down and fail? Why does one go up and another fall?

There is a law of life that says that "no one can stand still." Either we go forward or we go backward.

The true story of the successful salesperson is that he or she has made full use of ordinary talents and abilities. This individual took small things in life and by constant work built himself into an "above average" salesperson.

One who stands around moaning about his present plight is one who has not used his ability and talents. He has been expecting someone else to endow him with all the attributes and characteristics of the successful salesperson. Unfortunately, he is one who is not willing to endure self-sacrifice, hard work, long hours of application and devotion to the ideal of "getting ahead."

Don't be like some who, by their very attitude, plans for failure as carefully as others plan for success. If you have failed, or are failing, it may be because you have neglected to do what successful people do: USE YOUR TALENTS!

Everyone writes his own ticket. Right now, today, you can select where you want to go and where you want to be. You can't stand still!

So, you can't wait to do something about your situation. Take command of your talents and be on your way. You can do it if you want to.

There is no power under God's sun that can stop you from doing anything you want to if you're downright earnest about doing it. Take charge and win!

Lionel W. Eltis

Lionel W. Eltis, NPTA Chairman

EVENTS

AUGUST

19-21. *Advances in Impactless Printing seminar by the Institute for Graphic Communications (617-267-9425) at the Holiday Inn, Monterey, CA.*

28. *Successful Inventory Management for the Wholesale Paper Distributor, Boston Marriott Hotel, Boston, MA. Contact NPTA.*

30. *Successful Inventory Management for the Wholesale Paper Distributor, Boston Marriott Hotel, Boston, MA. Contact NPTA.*

SEPTEMBER

6. *Profit Improvement Day, Columbus Marriott North Inn, Columbus, OH. Contact NPTA.*

22-25. *NPTA's Annual Convention and Paper Plastics & Allied Products Exposition, Hyatt Regency Chicago Hotel, Chicago, IL. Contact NPTA.*

PRINTING PAPER

OUTLOOK FOR PRINTING SALES GROWS STRONGER

Optimism in the printing industry has been the trend for the past 12 months, and now increased printing activity is fueling even greater expectations. Printing Industries of America (PIA) surveys printing activity on a quarterly basis and reports on printer outlook for the next year.

First Quarter 1984 was the strongest quarter for printers since PIA began compiling statistics in 1978. Sales increases among those surveyed showed that 70% had increased sales, 12% had sales remain the same, and 18% experienced reductions. A year ago, only 52% of printers surveyed were experiencing increases in sales.

PIA has found a high correlation between printers' expectations about the future and actual sales activity. First Quarter responses to the PIA survey showed sales expectations:

Printers' expectations for the next 6 months

Expecting Increase	76%
Expecting Same	20%
Expecting Decrease	4%

Printers' expectations for next 12 months

Expecting Increase	87%
Expecting Same	20%
Expecting Decrease	1%

Judging from the above, there is no sign of this trend abating. Printers are confident about strong sales through 1984 into 1985. Advertising, promotion, direct mail and information printing are growing. Four color continues to dominate and optimism has spread through all regions of the United States and now into Canada as well, the report stated.

Printers are confident about strong sales through 1984 into 1985.

TYPESETTING INDUSTRY STATISTICS

Total value of shipments: **$1.23 billion**
Total establishments: **3,001**
Employment: **33,500 people**
% with over 20 employees: **14%**
Leading states: **New York, Pennsylvania, California, Illinois**

Source: 1982 Census of Manufacturers

ADVERTISING AGENCY STATISTICS

According to *Ad Age*, the U.S. advertising agency industry posted record billings for 1983:
1983 Gross Income: **$6.51 billion**
Change from 1982: **up 10.7%**
World Wide Billings: **$44.2 billion**
Number of Agencies: **822**

WHITE HOUSE FORMALLY ANNOUNCES NOMINEE FOR PUBLIC PRINTER

The White House made it official when President Reagan announced his intention to nominate Ralph E. Kennickell, Jr., to replace Danford L. Sawyer as U.S. Public Printer, reports Printing Industries of America.

Kennickell has served in a number of administration positions since President Reagan took office in 1981, and is currently the Special Assistant to the Administrator of the Small Business Administration.

PAPER-RELATED PRESS PROBLEMS TREATED IN NEW NAPL BRIEFING

A concise discussion of paper in relation to its problem potentials on-press and elsewhere in the processing chain is presented in a new Special Report published by National Association of Printers and Lithographers.

The eight-page Report, titled "Solving Paper-Related Press Problems," consists of two parts — a problem-cause-remedy chart and a preface to it. The preface reviews the structure of paper, cites measures printers can take to reduce potentials for paper problems, and tells how to handle mill-merchant relations in those instances where paper has been definitely identified as a problem cause.

The problem-solving chart covers malfunctions relating to feeding and or delivery, wrinkling on press, ink scuffing-bonding-chalking, picking, hickies, and blanket smashes. Included also are charted guidelines to numbers of hours needed to condition paper to changed environments.

"Solving Paper-Related Press Problems" (S256) is available for sale to members of NPTA at $10 per copy. Contact the NPTA Communications Department.

INDUSTRIAL PAPER

INDUSTRIAL PAPER DIVISION CONVENTION PROGRAM

This year's Industrial Paper Program will be split into two separate parts. The first deals with new advances in computer technology for merchants, and the second is on the industrial paper merchant's role in janitorial supply. The umbrella title for both programs will be "The New Frontiers in Industrial Paper Distribution."

Hand-held computer devices

The first program will be entitled "The Utilization of Hand-Held and other Computer Devices for Industrial Merchant Sales Persons." Arthur T. Rodbell, Executive Vice President of VCT Corp. will be the speaker. The objective of this program is to acquaint attendees with the advantages of hand held terminals and other new computer devices.

One of the other new devices to be discussed will be the new "talking" computer systems.

Synthesized voice technology may revolutionize order taking and processing for both manufacturers and distributors, replacing the need for expensive terminals at dealer locations. Instead of depending on conventional terminals, the "voice" computer software handles these routine transactions via push button phone using a digitized human voice to confirm each order. Not only can orders be processed more quickly, but the need for order-taking personnel may be reduced.

Not only can orders be processed more quickly, but the need for order-taking personnel may be reduced.

Orders can also be placed through analog hand-held terminals used by outside sales representatives to store orders throughout the day before calling the system.

These systems are said to be virtually "error-free" because they repeat each order by number and product description to the customer or sales person for verification resulting in additional savings for businesses.

The hand-held terminals are battery operated, data collection devices. These units can extend the use of your host processor by allowing data to be keyed directly from the field through telephone lines. This substantially reduces data collection time and paper work.

This has proven to eliminate time delays and incorrect order processing because of the misinterpretation of paper work done in the field.

Studies have shown that usage of these systems can increase productivity, efficiency and decrease the time lost between the actual taking of the order and delivery to the customer. The systems are designed to incorporate the total order from the pick list to the immediate invoice of each order.

The use of both of these as well as other systems that will be discussed allow for both customers and merchant sales personnel to place orders at any time of the day or night.

Janitorial supply program

The second program will focus on janitorial supply and the paper distributor. The program is entitled "Janitorial Supply: The Role of the Paper Merchant" and will include presentations by two merchants currently enjoying success in this product line and a representative of a janitorial supply manufacturer. The objectives of the program will be to inform merchants considering ways of either expanding their current offering or beginning a new product area. The program will review the pitfalls, marketing strategies, purchasing and stocking information. Both programs will include a question and answer period.

KETCHUP-IN-A-BOX

To be more accurate, it is really "ketchup-in-a-bag-that's-in-a-box." And Heinz has done it. They are not packing it that way for the home user, instead the bag-in-a-box will replace the large ketchup cans used by restaurants and institutional feeders.

"Vol-Pak" is a cardboard box approximately 12"x11"x3" that holds a metalized bag which seals out air and foreign matter. The bag has a spigot for easy use and holds as much as four #10 cans of ketchup while using 20% less space.

This product may be used by hospitals, schools and fast-food outlets to replace single service packets or table bottles of ketchup. By filling small paper cups with ease and having an efficient way of keeping squeeze bottles filled, institutional and fast food operators may find this new form of bulk packaging economical.

The can is giving way to other forms of storage. It will be interesting to watch the inroads being made by new forms of packaging into what were the traditional areas of metal and glass.

DISTRIBUTOR-TERMINATION CASE

Under what circumstances will a manufacturer's termination of a wholesaler-distributor violate antitrust laws?

Under what circumstances will a manufacturer's termination of a wholesale-distributor (or refusal to renew a distributorship agreement) violate the antitrust laws?

The Supreme Court has ruled that a manufacturer who terminates a distributor pursuant to a conspiracy or combination with one or more other distributors to fix, maintain or stabilize the resale prices of the manufacturer's products violates the Sherman Act. (Monsanto Company v. Spray-Rite Service Corp.)

As to what evidence is required to establish an unlawful distributor termination, the Court rejected the lower court's ruling that proof that a manufacturer terminated a price-cutting distributor in response to or following complaints by other distributors about price-cutting practices is sufficient.

Instead, there must be evidence that tends to prove that the manufacturer and complaining distributor(s) had a conscious commitment to a common scheme to fix, maintain or stabilize resale prices.

Utilizing this standard, the Court then found that Spray-Rite was terminated pursuant to a price-fixing conspiracy between Monsanto and its distributors. The jury award of $3.5 million in damages, which was trebled to $10.5 million, was affirmed.

Facts

Spray-Rite was a wholesaler-distributor of Monsanto agricultural herbicides from 1957 to 1968. In October, 1968, Monsanto declined to renew Spray-Rite's distributorship asserting a failure to hire trained salesmen and promote sales to dealers. Spray-Rite filed suit and alleged that the termination was a result of a conspiracy among Monsanto and some of its distributors to eliminate Spray-Rite as a competitor. There was evidence of numerous complaints to Monsanto from competing distributors about Spray-Rite's price-cutting practices. The jury ruled for Spray-Rite and the court of appeals affirmed.

Evidence of illegal conduct

The Supreme Court considered the following evidence sufficient for the jury to reasonably conclude that Monsanto and some of its distributors were parties to a conspiracy to maintain resale prices and terminate price-cutters:

- There was testimony that Monsanto had not discussed distributorship performance criteria with Spray-Rite, nor informed Spray-Rite prior to termination that it was failing to meet the criteria.
- A Monsanto district manager testified that Monsanto on at least two occasions had approached other price-cutting distributors and warned them to adhere to suggested resale prices or else they would not receive an adequate supply of a new herbicide. One distributor, who initially objected, eventually acceded.
- A newsletter written by a distributor following a meeting with Monsanto officials stated that Monsanto would make every effort to maintain a minimum market price level.
- In a post-termination meeting between parties, the first thing a Monsanto official mentioned was the many complaints Monsanto had received about Spray-Rite's prices.
- A former Monsanto salesman testified that Monsanto representatives informed Spray-Rite of these complaints and requested that prices be maintained.

This evidence was sufficient *even though* there was no testimony of any complaints about Spray-Rite's pricing for the fifteen months prior to termination.

Conclusion

Establishing an unlawful conspiracy to maintain resale prices and terminate price-cutters requires evidence that reasonably tends to prove that the manufacturer and others had a common scheme to achieve an unlawful objective. Proof of termination following distributors' complaints about the terminated distributor's pricing practices alone is not sufficient.

ACTIVITY

JUNE, 1984

PAPER MERCHANT SALES REPORT

NPTA Regions	Sales Per Selling Day June 1984 - Compared To - June 1983	Sales Per Selling Day June 1984 - Compared To - May 1984	Sales Per Selling Day 1984 Year-to-Date - Compared To - 1983 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of June 1983	Days Outstanding (Accounts and Notes) At Close of June 1984	Calendar Days' Cost* of Ending May Inventory 1983	Calendar Days' Cost* of Ending May Inventory 1984
INDUSTRIAL							
1	+12.2	+ 1.5	+ 7.6	46	43	53	--
2	+17.5	+ 5.6	+13.0	33	36	54	52
3	+ 9.5	- 8.0	+17.8	33	36	62	59
4	+11.6	+ 2.0	+17.0	36	39	56	56
5	+ 8.8	+ 2.0	+ 9.3	32	35	60	61
6	+ 8.5	+ 5.6	+13.5	36	40	--	--
7	+ 2.8	+ 1.1	- 2.1	36	40	66	54
NY Metro	+12.2	+ 3.0	+ 6.1	41	43	--	--
Chicago Metro	+23.0	+ 3.7	+ 6.6	39	38	63	--
LA Metro	+20.7	+ 4.6	+ 8.1	51	53	49	57
US	**+11.3**	**+ 1.0**	**+11.8**	**36**	**40**	**58**	**56**
PRINTING							
1	+18.2	- 9.2	+25.2	48	48	--	--
2	+27.7	+ 1.0	+28.1	46	46	68	61
3	+23.0	-10.0	+34.3	41	41	80	88
4	+38.9	+ 5.5	+29.2	42	43	75	73
5	+31.1	+ 5.2	+27.7	43	44	--	81
6	+32.8	- 0.7	+22.6	41	39	--	--
7	+26.6	- 1.4	+15.0	39	40	82	79
NY Metro	+13.2	- 2.4	+17.3	43	40	--	--
Chicago Metro	+34.9	+ 6.6	+29.4	44	40	69	--
LA Metro	+40.9	+10.7	+30.2	35	45	78	79
US	**+32.6**	**+ 0.6**	**+30.4**	**42**	**43**	**77**	**77**

* To calculate monthly inventory turnover, divide 365 calendar days by # of calendar days cost, e.g., 365 ÷ 73 = 5.00x.

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3: AL, FL, GA, NC, SC, TN & VA
Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7: AR, LA, MS, OK & TX
NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union

Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.
LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days
The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding
The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

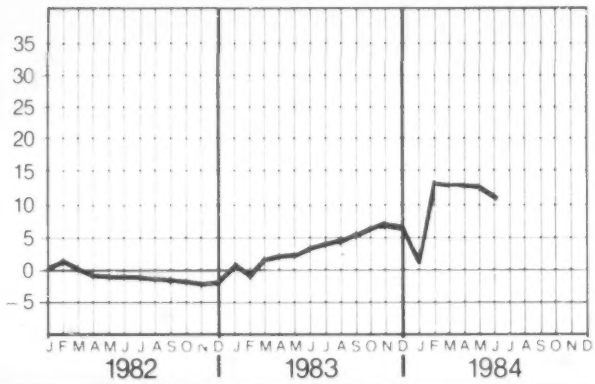
PAPER MERCHANT SALES REPORT

SUMMARY NATIONAL TREND INFORMATION: 1982 TO PRESENT

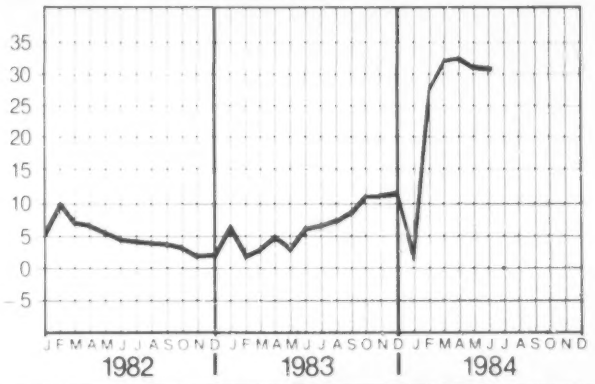
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



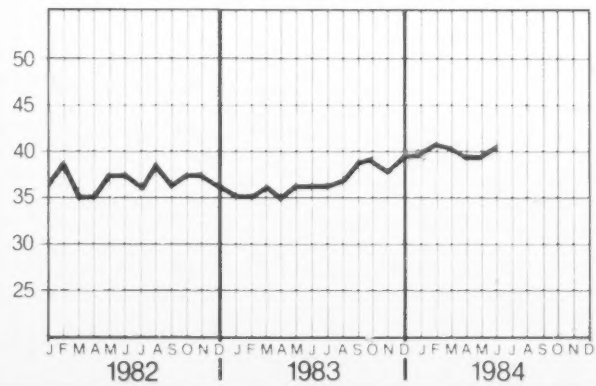
PRINTING PAPER SALES NATIONALLY



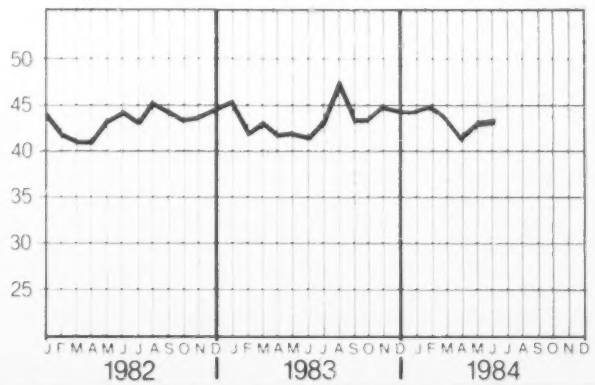
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



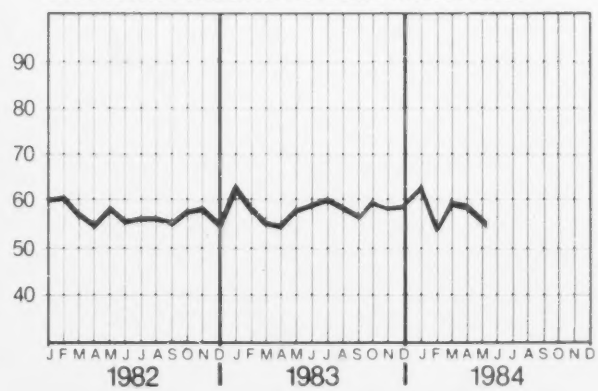
PRINTING PAPER RECEIVABLES NATIONALLY



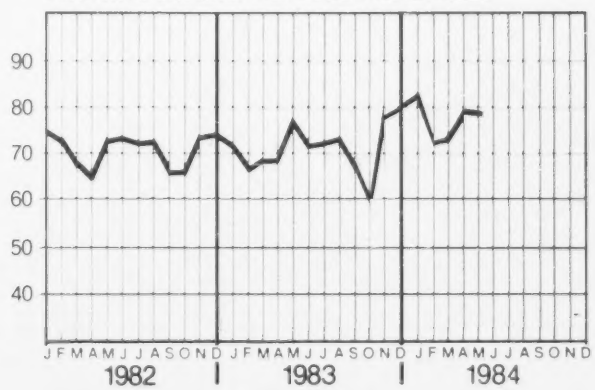
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



SALES MANAGERS IN DISTRIBUTION

Part II: The Salesmanager As Teacher

Any activity properly planned to increase a salesperson's skills is training.

Managers must set objectives, and be leaders; but equally important for them is they must review, evaluate, and coach. It is important for sales managers to learn how to coach, because coaching is a technique by which managers help each sales rep:

- Achieve greater skill in effectively carrying out job responsibilities.
- Achieve a more exacting degree of job knowledge.
- Attain a higher level of job satisfaction through improved performance.

After each sales call, the manager and salesperson should discuss the strengths and weaknesses of the call and formulate specific courses of action for performance improvement. The results of these sessions can serve as an informal base for subsequent formal performance evaluation and review.

Leadership, motivation and control are all basically dependent on the ability to communicate accurately. An understanding of the process of communication, its potential barriers, and the skills involved is essential to all other dimensions of sales management.

The teacher motivates his students

One of the more formidable challenges facing sales management is building up salespeoples' motivation. While sales meetings and personal direction are effective tools, the best way to enhance motivation is by building up enthusiasm, spirit and identification with the mutually set objective. To do this the manager must:

- lead and direct, rather than boss
- suggest, rather than command
- appeal to pride and ambition
- help to obtain objectives
- act as a friend and counselor

While sales compensation is a prime motivator, the manager must recognize that other factors are important, especially at those times when sales fall below quota. As a teacher, the sales manager must also see that his or her people are motivated by the challenge of the job that allows for a feeling of achievement, responsibility, advancement, enjoyment of the work itself, respect for selling and sense of belonging in the company.

The motivated salesperson is one who knows management wants to see his or her skills upgraded. Sales managers must provide opportunities to learn if they expect top sales production. When salespeople feel the company values them highly enough to offer additional training, there will be a strong desire to produce. Training does not necessarily mean formal programs in classroom format. Any activity properly planned to increase a salesperson's skills is training. This can include workshop sessions, role playing, short discussions, etc.

Teacher as trainer

Because the paper distributor's major investment is people, training is a powerful agent. The sales manager must integrate training into the organization. But first, a knowledge of the company's problems and objectives is essential. The more training supports the company's goals and tackles problem issues, the more successful that training will be.

What are some of the organizational goals that the training function might address? Cost control, increased revenue, dealing effectively with competition, changing how products and services are marketed, improving team work, smoothing inter- and intra-departmental relationships, improving productivity, reducing customer complaints or cancellations.

All these issues are the sore spots to which the trainer sales manager can help apply a remedy. When training is viewed as providing valuable skills and effecting needed change, managers win respect and credibility.

The long-range success of every merchant's sales force is reflected in the sales manager's ability to develop his or her people to the fullest potential. The manager's responsibility is to continually upgrade their professionalism. Working with the sales force, the manager can help its members enjoy the thrill of success while contributing to the company's profitability.

Resources available

NPTA's Education and Training Department is aware that training is a vital organ that constantly pumps new life into an organization's employees and management. NPTA can provide sales management with a wide variety of training aids and programs that address the issues of skill development.

Listed in the Department's *PAPER MERCHANT'S AUDIO VISUAL TRAINING CATALOG* is a collection of over 350 educational resources that can be utilized in-house for training in a most cost efficient and operationally effective way. For a copy of your free catalog and for additional information on sales management training, contact the NPTA Education and Training Department.

Editor's note

The NPTA Education and Training Department has just compiled a six page report titled "Sales Manager as Coach." For a free copy, call or write NPTA.

DATA INTERCHANGE STUDIED

Faster processing of orders and reduced lead times will result in the need for less inventory on hand.

The National Paper Trade Association in cooperation with the Paper Group of the American Paper Institute, has formed a joint supplier merchant task force to explore paper distribution industry needs in the area of electronic exchange of information between paper merchants and their suppliers.

In a recently conducted landmark study on future trends in wholesale distribution, it was reported that by 1990, 90% of wholesalers and suppliers would be exchanging information electronically. In a follow-up study looking at future trends in paper distribution, electronic exchange of information between paper merchants and suppliers was the third most important trend impacting mill and merchant relations.

Studying EDI

The study of electronic data interchange (EDI) focuses on the routine business transactions flowing between manufacturers and paper merchants associated with the full procurement cycle. Included are messages associated with purchase orders, shipment advises, manifests, invoices, and payment advises as well as changes and adjustments to these transactions. Excluded from this study now is actual electronic funds transfer.

Total direct and indirect savings and benefits to the paper distribution industry are difficult to calculate at this time. In 1980, Arthur D. Little, Inc. estimated that the total grocery industry could save $650 million annually through widescale use of EDI procedures. Savings to the paper distribution industry could be at least half that amount.

These issues are of growing importance to paper merchants and their suppliers for many reasons - increased productivity, reduced inventory investment and improved customer service, are a few. From a defensive point of view, it will be necessary to embrace these new technologies because more and more competitive channels of distribution are using them. Increased request by customers to create transmission networks will encourage suppliers and merchants to participate.

Increased productivity will be achieved by less data entry, fewer input errors, and the opportunity to have clerks perform other tasks. Faster processing of orders and reduced lead times will result in the need for less inventory on hand. A lower cost of acquisitions (inventory carrying costs are about 2% of purchase price per month) will have direct, strong impact on company profitability.

Fully automated systems between supplier, merchant and ultimately, the customer will result in improved customer service levels, unattainable by today's manual procedures.

Goal

The industry task force has adopted, as its goal and objective: "To enable this efficient and effective electronic data interchange, bar coding and product identification between paper merchants and their suppliers through the development, adoption and dissemination of voluntary guidelines.

One basic goal is to be knowledgeable about EDI efforts of affiliated supplier and customer groups in order to develop voluntary guidelines that will have maximum use across industry lines."

Task force organization

The task force will be organized into a policy committee, a technical committee, and an education and publicity committee. The National Paper Trade Association will act as the overall coordinating group. In staffing all committees of the task force, a balance of industrial and printing paper suppliers and merchants will be achieved.

The policy committee will have responsibility to determine the pace and scope of the task force. At the present time, the policy committee has determined that a review of the American National Standards Institute (ANSI) X12 recommendations for electronic transmission would be its first assignment. It is the group's hope that paper distribution industry standards could be created to fit within the generalized ANSI X12 format.

Technical committees will begin reviewing purchase order, invoice, and payment advice formats. In addition a voluntary guideline for manifests, developed by the Graphic Arts Communicators Association (GAC) will also be reviewed.

After this assignment is complete, and paper and industry voluntary guidelines have been published, the task force could turn its attention to the development of procedures that would be used in one-to-one merchant customer inquiries, such as order status and inventory availability information.

The education and publicity committee plans to hold a meeting at the 1984 NPTA Convention to publicize the task force.

Please direct any questions and comments on this subject to John J. Buckley, Jr., at NPTA headquarters.

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